higher than only Rs.1,063 crore in the corresponding period of 1996-97. In 1996-97 this investment was to the tune of Rs. 8,075 crore.

The somewhat slow growth of bank credit in the current financial year so far may be attributed, inter-alia, to sluggish trends in the primary capital market, slow pick-up in industrial growth and systemic adjustment because of introduction of prudential norms.

(d) Several measures have been initiated by the Reserve Bank of India to promote growth of bank credit to the commercial sector. The cash reserve ratio was reduced by 4 percentage points to 10 per cent in the last financial year. In its credit policy statement for the first half of the current financial year, the Reserve Bank of India has asked the banks to endeavour to bring down interest rates by reducing the spread and to ensure an adequate flow of bank credit to support the growth of the real sector. The ceiling interest rate on domestic term deposits of 30 days and upto and one year has been reduced by 2 percentage points to 8 per cent. The ceiling interest rate on Non-Resident (External) Rupee Accounts of six months and upto one year has also been reduced by 4 percentage points to 8 per cent. The ceiling rate on the post shipment export credit upto 90 days and the interest rate on such credit beyond 90 days and upto six months have also been reduced by one percentage point each. Banks have been given full discretion to assess the working capital requirements of their borrowers within the existing prudential guidelines and exposure norms. The obligation to form a consortium for working capital facility of Rs. 50 crore and above has been dispensed with. The prime lending rates of most banks have been actually reduced by one to one and a half percentage points, since April 1997.

Business in Insurance Sector by Foreign Companies

2861. SHRI K. PARASURAMAN: Will the Minister of FINANCE be pleased to state:

(a) whether any decision has been taken to do insurance business by foreign companies in India;

(b) if so, the details thereof;

(c) whether an agreement has already been signed by some foreign business firms in Chennai in collaboration with Indian business firms; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Under the existing Laws, the life Insurance and General Insurance business are exclusive privileges of life Insurance Corporation of India (LIC); and general Insurance Corporation of India (GIC) and its four subsidiaries respectively.

(c) and (d) Agreements signed between private parties do not require prior Government approval. Government do not have any official information regarding such agreements.

[Translation]

Deposits Made by Bank Branches in Cities, Town, and Rural Areas

2862. PROF. PREM SINGH CHANDUMAJRA:

SHRI NAWAL KISHORE RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks are operating their branches in various parts of the country;

(b) if so, the number of bank branches of the nationalised banks are operating in metropolitan cities, cities, towns and rural areas, separately as on 31 March 1997;

(c) whether the branches at these banks are providing loans and depositing money under the same guidelines;

(d) if so, the percentage of the deposit out of the total deposits obtained in the towns, cities and metro cities, till March, 1997; and

(e) the percentage of the loan out of the total loans given by these branches till March 1997?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) Population group-wise number of branches of scheduled commercial banks as furnished by Reserve Bank of India as at the end of March, 1997 is given below:

Population Group	Number of Branches
Rural	33024
Semi-Urban	13652
Urban	9194
Metropolitan	7509
Total	63379

(c) The same guidelines apply in respect of all bank branches for providing loans and for accepting deposits.

(d) and (e) Population group-wise distribution of deposits and credit of scheduled commercial banks as on the last Friday of March, 1997 and the percentage share thereof are given below: